

September 6, 2005

Edward C. Hurley  
Chairman  
Illinois Commerce Commission  
160 North LaSalle Street, Suite C-800  
Chicago, Illinois 60601

Dear Chairman Hurley:

ComEd has been working diligently to develop a proposal to implement Governor Blagojevich's Sustainable Energy Plan and was targeting a late August or early September filing with the Illinois Commerce Commission for that purpose. ComEd is fully committed to implementing the Governor's plan and has been a strong supporter of environmental initiatives for many years, including current investments in wind and solar generation. Despite this commitment, recent developments have created uncertainty around the company's ability to execute the Governor's plan at the Illinois Commerce Commission.

In the Governor's Sustainable Energy Plan announcement of February 11, 2005, the Governor outlined a "competitive approach to renewable energy procurement" recommending that "utilities and alternative retail suppliers enter into competitive long-term power purchase agreements with renewable energy generators to meet the annual goals of the Renewable Portfolio Standard" for the benefit of all Illinois customers. ComEd's proposal was developed around this directive and would result in wind power purchased through a competitive process at market-based costs.

On August 31, 2005, however, Governor Blagojevich filed a letter in ComEd's existing electricity procurement proceeding related to traditional generation, Docket no. 05-0159, indicating his opposition to any proposal that includes "market-based rates for the procurement of power" for customers not yet declared competitive under the terms of the Restructuring Act. The Governor further stated his belief that the ICC did not have authority to approve a proposal for the competitive procurement of power and directed the ICC to immediately dismiss the ComEd proceedings.

It is now unclear to ComEd how its renewable energy proposal should be implemented, given that the proposal includes a market-based, competitive approach to procuring renewable energy. ComEd does not agree with the legal interpretation expressed in the Governor's letter; however, ComEd believes it is not prudent to make its filing until this matter has been resolved.

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ComEd supports the objectives of the Governor's Plan and is willing to work with all interested parties to implement this plan as soon as this issue is resolved.

Sincerely,

Frank M. Clark

Cc: Honorable Rod R. Blagojevich  
Commissioner Kevin Wright  
Commissioner Lula Ford  
Commissioner Erin O'Connell-Diaz  
Commissioner Robert Lieberman  
Elizabeth A. Rolando, Chief Clerk